



CITY OF BEDFORD OHIO

City of Bedford

Travel Expense Accountable Plan

January 1, 2001

ADMINISTRATIVE POLICY: NO. E18

To: *All Employees*

Subject: *Travel Expense Accountable Plan*

Effective: *January 1, 2001*

Purpose

The purpose of this policy is for the City of Bedford/Bedford Municipal Court Employees to comply with Internal Revenue Service (IRS) Codes and IRS Publication 463 providing travel reimbursement for employee business (Municipal Court) expenses under an accountable plan.

Effective December 1, 2001 the City of Bedford will no longer do any advances for travel.

Travel Expenses Objectives

The objectives of the Travel Expense Accountable Plan are to provide substantiation and adequately account for travel expenses for business purpose in a timely manner, such that an employee will not be subject to income inclusion on his/her W-2 at year-end according to IRS regulations.

Plan Requirements

The City of Bedford requires at least 50 miles or greater to be reimbursed or responsible for an overnight stay at any hotel.

The City of Bedford provides travel reimbursements for employee business expenses under an accountable plan (herein documented). Under this plan employees are required to meet three rules:

1. Your expenses must have a business connection- that is, you must have paid or incurred deductible expenses while performing services as an Employee of the City of Bedford/ Bedford Municipal Court.
2. You must substantiate an adequately account to your employer for these Expenses within a reasonable period of time, and
3. You must return any excess reimbursement within a reasonable period of time. An excess reimbursement or allowance is any amount you are paid that is more than the business-related expenses that you adequately accounted for to your employer.

Meals and Allowance

Substantiated, receipted and reported on travel expense report, meal costs will be reimbursed up to a maximum of \$65.00 per day. Tips on meals will be reimbursed to a maximum of 20% in addition to the \$65.00 receipted meal costs. Reimbursement for meal costs may exceed \$65.00 per day provided the receipts are available and the meals are served in a high-cost area (stated by IRS in Publication 463) and they are approved by the City Manager / Presiding Judge.

If the employee does not obtain a receipt for a meal, the allowance for meal reimbursement will be paid as follows:

Breakfast	-	\$3.50
Lunch	-	\$4.50
Dinner	-	\$6.00

The above allowances apply, provided timeliness in reporting is observed. Allowance for breakfast is authorized if travel is before 7:00 a.m. and anytime through the 7:00 – 8:00 a.m. hour. Dinner allowance is authorized if travel occurs after 5:00 p.m. and anytime through the 5:00 – 6:00 p.m. hour. Meals may be authorized by council for the administration as a convenience to the employees to attend meetings during the meal hours as stated above, provided meals are not extraordinary in cost and documentation is maintained exhibiting a proper public purpose.

Business Related Mileage

The City/Court adopted the policy of reimbursing employees using their personal vehicles for City business at the per mile rate equivalent to that allowed by the IRS annual standard mileage rate. This rate is to be adjusted to reflect the current IRS allowance rate.

Airline Travel

Airline travel will be reimbursed by direct payment from the City to travel agency / airlines for all continent U.S. flights. Payment for first class travel costs will not be reimbursed or paid. Any travel outside of the continental United States must be approved by the City Manager / Presiding Judge respectively. The City of Bedford will pay for the cost of one baggage checked in for travel.

The Travel Expense Report complete with all receipts must be filed with the Finance Department within sixty days of the travel date to avoid being taxed. The IRS provides the following guidelines as to a reasonable period of time.

- 1. Adequately account for your expenses within sixty (60) days after they were paid or incurred, and*
- 2. Return any excess reimbursement within one hundred twenty (120) days after the expenses was paid or incurred.*

Travel Expense Accountable Plan

It is the employee's responsibility to comply with these time requirements.

Any travel reimbursements that do not comply with these three rules will be considered income to the employee and will be reported on IRS W-2 at year end.

These are IRS requirements and there are no exceptions. To avoid being taxed on these amounts, you must:

- 1. Complete a Travel Expense Reimbursement Form. Provide adequate accounting by substantiating all travel expenses by providing receipts and Travel Expense Report (Exhibit A) for business purposes expense. These include: Hotel and overnight accommodations for business purposes, taxes, phone expenses, parking fees. No reimbursements will be made on the following: valet parking services (unless these are equal in cost to regular of offsite rates or as the only option), State of Ohio sales tax on hotel accommodations (pick up the Exemption Form at the Finance Dept before departure) movies, excess phone calls to residences (no more than two calls within three days to verify destination and pickup (arrival) arrangements and limited to reasonable length of time), non-documented phone calls and costs incurred due to non attendance or arrival at hotel or overnight accommodation, unless emergency situation. (Tips to valet are limited to \$1.00 per bag, and maids are limited to \$1.00 on the day or days the associated services are performed).*

Rental Car Costs

In lieu of the cost of taxis, or limousines services regarding out of state travel utilizing airlines, an employee may obtain a rental car (sub compact, compact, or suitable to accommodate the size of the traveling party) at the lowest level of cost possible. The employer may reduce the cost by sharing these costs with other public entities. All vehicle rental costs charged must be prorated for business vs. personal use while at conferences. Maximum costs reimbursed per week (7-days) is limited to \$150.00 provided documentation is obtained for the costs and rental costs are only the business portion of total costs. The City will also reimburse the cost of auto rental insurance if needed.

These objectives can be obtained with adequate planning and cooperation by all employees working with the Finance Department within the framework of centralized reporting system.

Disability Related Costs

All reasonable costs incurred in providing accommodations or assistance to an employee having a disability under the American with Disabilities Act will be reimbursed in full (ex. Wheelchair, hotel room accommodation, etc.).